

DENISE VOIGT CRAWFORD  
SECURITIES COMMISSIONER



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## Texas State Securities Board

208 E. 10th Street, 5th Floor  
Austin, Texas 78701-2407  
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MEMBER

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MEMBER

**SSB Docket No. 03-036**

IN THE MATTER OF THE  
APPLICATION FOR  
AGENT REGISTRATION OF  
WILLIAM PAUL HUDSON

§  
§  
§  
§

**Order No. CAF/SUS-1529**

TO: William Paul Hudson (CRD #4597939)  
Enerstar Securities Corp.  
740 Lexington Drive  
Plano, Texas 75075

### **DISCIPLINARY ORDER REPRIMANDING, SUSPENDING AND FINING AN AGENT**

Be it remembered that William Paul Hudson ("Respondent") appeared before the Securities Commissioner of Texas ("Securities Commissioner"), and without admitting or denying the Findings of Fact or Conclusions of Law except as referenced below, consented to the entry of this Order and the Findings of Fact and Conclusions of Law contained herein.

#### **FINDINGS OF FACT**

1. Respondent has waived (a) Respondent's right to appear and present evidence in this matter; (b) Respondent's right to appeal this Order; and (c) all other procedural rights granted to Respondent by The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2003) ("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon Supp. 2003) ("Administrative Procedure Act").
2. On or about October 29, 2002, Respondent filed for registration with the Securities Commissioner as an agent of Enerstar Securities Corp. ("Enerstar"), which is currently pending.
3. From in or about April, 2000, to in or about June, 2003, Respondent, on behalf of Northstar Energy, Inc. ("Northstar"), offered for sale and sold in Texas working interests in drilling programs. Respondent was Vice-President of Northstar at all times relevant to this Order.

4. The working interests in the drilling programs offered for sale and sold by Respondent, on behalf of Northstar, were not registered with the Securities Commissioner by qualification, notification or coordination and no permit was granted for their sales within Texas.
5. Respondent, at all times relevant to this Order, was not registered with the Securities Commissioner as a securities dealer, agent, investment adviser or investment adviser representative.
6. Respondent agrees that this Order shall be admissible to prove the facts stated herein in any state proceeding brought by or on behalf of the Texas State Securities Board.

### CONCLUSIONS OF LAW

1. The working interests in the drilling programs are interests in oil, gas or mining leases and are securities, as the term "securities" is defined in Section 4.A of the Texas Securities Act.
2. Respondent engaged in the offer for sale and sale of securities in Texas, as the terms "offer for sale" and "sale" are defined in Section 4.E of the Texas Securities Act.
3. Respondent violated the Texas Securities Act by offering for sale and selling securities in Texas at a time when the securities were not registered with the Securities Commissioner, as required by Section 7 of the Texas Securities Act.
4. Respondent has acted as a dealer and/or an agent, as the terms "dealer" and "agent" are defined in Sections 4.C and 4.D of the Texas Securities Act.
5. Respondent violated the Texas Securities Act by offering for sale and selling securities in Texas at a time when Respondent was not registered with the Securities Commissioner, as required by Section 12 of the Texas Securities Act.
6. Pursuant to Section 14.A(6) of the Texas Securities Act, the foregoing violations constitute bases for the issuance of an order reprimanding and suspending an agent.
7. Pursuant to Section 23-1.A of the Texas Securities Act, the foregoing violations constitute bases for the issuance of an order assessing an administrative fine against an agent.

### ORDER

1. It is therefore ORDERED that the agent registration of William Paul Hudson is hereby GRANTED.

2. It is further ORDERED that William Paul Hudson is hereby REPRIMANDED.
3. It is further ORDERED that the agent registration of William Paul Hudson is hereby SUSPENDED for five (5) business days from the date this Order is signed by the Securities Commissioner.
4. It is further ORDERED that William Paul Hudson is hereby assessed AN ADMINISTRATIVE FINE in the amount of Five Thousand Dollars (\$5,000.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Five Thousand Dollars (\$5,000.00), payable to the State of Texas, contemporaneously with the delivery of this Order.

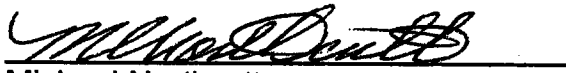
SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 2<sup>nd</sup> day of September, 2003.


  
DENISE VOIGT CRAWFORD  
Securities Commissioner

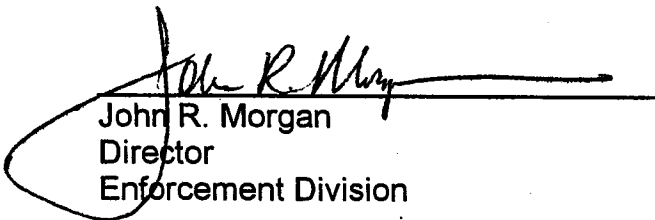
Respondent:

  
William Paul Hudson

Approved as to Form:

  
Michael Northcutt  
Director  
Registration Division

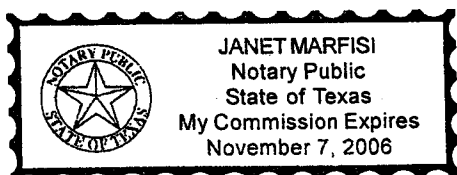
  
Steven B. Holmes  
Attorney for Respondent

  
John R. Morgan  
Director  
Enforcement Division


### ACKNOWLEDGMENT

On the 27th day of August, 2003, William Paul Hudson ("Respondent") personally appeared before me, executed the foregoing Order, and acknowledged that:

1. Respondent has read the foregoing Order;
2. Respondent has been fully advised of his rights under the Texas Securities Act and the Administrative Procedure Act;
3. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained herein; and,
4. Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived his rights as set forth therein.



[affix notary seal here]

  
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Notary Public in and for  
The State of Texas

My commission expires on: 11/7/06